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TESTIMONY DOUBTED ON MISSING URANIUM

Inquiry Finds Faulty Statements to
Congress by Ex-U.S. Official
on 1960's Disappearance

By DAVID BURNHAM

Special to The New York Times

WASHINGTON, April 28 — The Inspector General's Office of the Energy Department has said a former top Federal official apparently lied when he testified to Congress about the disappearance from an American facility of approximately 200 pounds of highly enriched uranium, enough to make about 10 nuclear bombs.

Despite the conclusion that the official appeared to have made "a knowing misstatement" concerning the case while answering questions before the House subcommittee on energy and power, the Department of Justice has decided not to bring criminal charges because it said there was "insufficient evidence."

The question of the truthfulness of the testimony of Robert W. Fri, the former acting head of the Energy Research and Development Administration, is considered significant because it casts doubt on the repeated assurances by the Government that potentially dangerous nuclear materials are adequately protected.

Mr. Fri, now an energy consultant in Washington, said he could not comment on the allegations because he had not seen the Inspector General's report on his testimony.

Pennsylvania Facility

The Inspector General's report, dated April 27, said the office investigated whether inaccurate information might have been deliberately furnished the House subcommittee.

"Our answer to that question is 'yes,'" the report concluded. "We found facts showing that Robert W. Fri may have made intentionally inaccurate statements about his knowledge of a United States intelligence agency's views on the alleged diversion of special nuclear material from the Nuclear Materials and Equipment Corporation plant at Apollo, Pa., in the mid-1960's."

At another point in the unclassified version of the 13-page report, the Energy Department investigators said Mr. Fri's answer to a question about the Central Intelligence Agency's position on the question of whether a theft had occurred "seems to be a knowing misstatement of his actual knowledge."

The uranium unaccounted for from the nuclear materials company in Pennsylvania, called NUMEC, has been the subject of separate investigations by the Federal Bureau of Investigation, Congress's General Accounting Office, the Central Intelligence Agency and at least three committees of Congress.

A Denial by the Government

While company executives have contended that the highly enriched uranium was inadvertently lost in the complex manufacturing process, and Government energy officials have repeatedly stated that there was no evidence that the material had been stolen, the Central Intelligence Agency and the Defense Intelligence Agency have long believed it was obtained by Israel.

A previously disclosed C.I.A. report completed in 1974, for example, concluded that Israel "already has produced nuclear weapons" and had done so, in part, on the basis of uranium acquired "by clandestine means." According to three separate Government officials who asked not to be identified, a second report by the Defense Intelligence Agency concluded several years ago that approximately 200 pounds of enriched uranium would be required for the number of atomic weapons Israel was believed to have at that time and that such material probably was obtained from sources in the United States. Israel has repeatedly denied receiving the uranium.

In his appearance before the House subcommittee on August 8, 1977, Mr. Fri said he did not believe any uranium had even been stolen and that he was "not sure" whether any intelligence agency questioned this conclusion.

"Mr. Fri knew at the time of the hearing that one intelligence agency, the C.I.A., had 'certain questions' about the Energy Research and Development Administration's 'no diversion' conclusion," the Inspector General's report said.

N.R.C. Official Mentioned

Mr. Fri, however, is not the only Federal official who may have attempted to mislead the House energy subcommittee, according to Congressional staff members. One official mentioned is the executive director of the Nuclear Regulatory Commission, Lee V. Gossick.

The chairman of the commission, Joseph M. Hendrie, concluded in a letter to a Congressman several months ago that the commission believed that the testimony to the subcommittee given by Mr. Gossick on the NUMEC matter "was not complete." One member of the commission, Victor Gilinsky, disagreeing with the majority, went further in saying in a letter to the same Congressman that he did not believe Mr. Gossick had presented "truthful and complete testimony."

In an appendix to the report on Mr. Fri, the Inspector General summarized an interview with Gen. Edward B. Giller, the former Deputy Assistant Administrator for National Security at the energy research agency, about the testimony to the House subcommittee.

"He did state that there was a basic pre-hearing understanding between ERDA and N.R.C. witnesses that they would do all possible to avoid being drawn into discussions on any alleged diversion issue," the report said.